

# WIRRAL COUNCIL

## COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

8 JULY 2010

### REPORT OF THE DIRECTOR OF FINANCE

#### REVENUES AND BENEFITS

##### 1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits.

##### 2. REVENUES COLLECTION

- 2.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2010 to 31 May 2010 with the amount collected in the same period in 2009/10.

|                 | <b>Actual<br/>2010/11</b> | Actual<br>2009/10 |
|-----------------|---------------------------|-------------------|
|                 | £                         | £                 |
| Cash to Collect | <b>124,020,000</b>        | 123,144,000       |
| Cash Collected  | <b>24,611,000</b>         | 24,295,000        |
| % Collected     | <b>19.8</b>               | 19.7              |

- 2.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2010 to 31 May 2010 with the amount collected in the same period in 2009-10.

|                                       | <b>Actual<br/>2010/11</b> | Actual<br>2009/10 |
|---------------------------------------|---------------------------|-------------------|
|                                       | £                         | £                 |
| Total Collectable (including arrears) | <b>70,888,698</b>         | 75,845,824        |
| Amount Outstanding                    | <b>57,851,949</b>         | 64,623,372        |
| % Outstanding                         | <b>81.61</b>              | 85.20             |
| Amount Collectable                    | <b>64,262,948</b>         | 66,949,292        |
| Net Cash Collected                    | <b>12,225,233</b>         | 11,242,507        |
| % Collected                           | <b>19.02</b>              | 16.79             |

- 2.3. The 100% level for empty Business Rates on properties above a rateable value of £15000, the revised port assessments and the current economic climate continue to have a detrimental effect on Business Rate collection levels.

- 2.4. The following statement provides information concerning collection of local taxes from 1 April 2010 to 31 May 2010.

|                               | <b>Council Tax</b> | <b>Business Rates</b> |
|-------------------------------|--------------------|-----------------------|
| Reminders/Final Notices       | 18,765             | 958                   |
| Summonses                     | 4,379              | 0                     |
| Liability Orders              | 586                | 0                     |
| Recovery action in progress   |                    |                       |
| Attachment of Earnings        | 265                |                       |
| Deduction from Income Support | 766                | -                     |
| Accounts to Bailiff           | 1,340              | 25                    |
| Pre-Committal Warning Letters | 811                | -                     |
| Committal Orders Issued       | 0                  | 0                     |
| Debtors Committed             | 0                  | 0                     |

Current Status of Agent Work in respect of Committals for 1 April 2010 to 31 May 2010.

|   |   |
|---|---|
| Warrants of Arrest issued by Court (Bail and No Bail) | 7 |
| Warrants of Arrest (Bail) to Warrant officer          | 2 |
| Warrants of Arrest (No Bail) to Warrant officer       | 4 |
| Returned successful (Bail)                            | 3 |
| Returned successful (No Bail)                         | 8 |
| Returned other reasons (Bail)                         | 2 |
| Returned other reasons (No Bail)                      | 1 |

2.5. Insolvency cases to 31 May 2010

The following information concerns Council Tax recovery work which involves cases where Insolvency action or charging orders against properties are used.

|                   |     |
|-------------------|-----|
| Bankruptcy cases  | 284 |
| Charging orders   | 113 |
| Winding up orders | 3   |

New cases from 1 April 2010 to 31 May 2010

|                   |          |
|-------------------|----------|
| Bankruptcy        | 5        |
| Charging orders   | 12       |
| Winding up orders | <u>0</u> |

Status of Insolvency cases at 31 May 2010

|                            |            |
|----------------------------|------------|
| Winding-up paid            | 1          |
| Charging orders granted    | 72         |
| Winding up Order           | 1          |
| Supporting other petitions | 3          |
| Cases paid                 | 88         |
| Bankruptcy orders          | 104        |
| Cases closed               | 106        |
| Ongoing cases              | <u>42</u>  |
|                            | <u>417</u> |

## 2.6. Sundry Debtors

|  | <b>Actual<br/>2010/11</b> | Actual<br>2009/10 |
|--|---------------------------|-------------------|
| Amount Billed in last 12 months as at 31.05.10 | <b>£84,940,722</b>        | £77,783,290       |
| Total outstanding as at 31.05.10               | <b>£22,840,723</b>        | £18,916,594       |
| Net Arrears at 31.05.10                        | <b>£13,037,761</b>        | £12,122,919       |
| Number of invoices in arrears at 31.05.10      | <b>12,713</b>             | 12,111            |
| Number of reminders 01.04.10 to 31.05.10       | <b>4,054</b>              | 5,244             |

2.6.1. The following budgets and income received relate to other sources of cash income generated by the Council:

|                                  | <b>2009/10<br/>Budget</b> | <b>Income to<br/>31-May-09</b> | <b>2010/11<br/>Budget</b> | <b>Income to<br/>31-May-10</b> |
|----------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
| i. School Meals                  | £1,607,800                | £185,628                       | £1,575,100                | £277,572                       |
| ii. Sports Centres               | £3,867,300                | £374,027                       | £3,941,300                | £783,069                       |
| iii. Golf Courses                | £912,200                  | £259,402                       | £939,600                  | £262,080                       |
| iv. Burials and Cremations       | £2,429,200                | £214,313                       | £2,502,000                | £249,105                       |
| v. Building Control Fees         | £494,900                  | £117,760                       | £494,900                  | £83,068                        |
| vi. Land Charges                 | £358,300                  | £45,386                        | £358,300                  | £50,370                        |
| vii. Car Park (Pay and Display)  | £2,496,900                | £286,428                       | £2,496,900                | £283,801                       |
| viii. Car Park (Penalty Notices) | £1,149,800                | £150,130                       | £1,149,800                | £82,558                        |

2.6.2. Further explanation of the above budgets and income collection performance is provided below:

- (i) School Meals: It is expected that income will be slightly more than the budget.
- (ii) Sports Centres: This is a volatile area and income is being monitored closely. The Invigor8 income is expected to exceed budget.
- (iii) Golf Courses: It is anticipated that income will underachieve against budget by £100,000. The budget for income in Golf has not been achieved for at least the last three years.
- (iv) Burials and Cremations: Income levels are down when compared to this time last year. It is anticipated that income will underachieve against budget by around £90,000.
- (v) Building Control Fees income is declining and there was a deficit of £91,500 in 2009/10.
- (vi) Land Charges: Fee income is declining and there was a deficit of £61,500 in 2009/10.
- (vii) Car Park Income (Pay and Display Tickets). It is unlikely that the income will be achieved. The deficit in 2009/10 was £285,000.
- (viii) Car Park Income (Penalty Notices): The shortfall in 2009/10 was £217,000 and is likely to be similar in the current year.

### 3. HOUSING BENEFITS

- 3.1. The following statement details the number of claimants in respect of benefit and the expenditure for Private Tenants and those in receipt of Council Tax Benefit up to 31 May 2010.

|   | 2010/11             | 2009/10 |
|---|---------------------|---------|
| Number of <b>Private Tenant</b> recipients  | 28,957              | 27,987  |
| Total rent allowance expenditure  | £19,014,029         |         |
| Number under the <b>Local Housing Allowance</b> scheme ( <u>included in the above</u> ) | 8,217<br>£6,922,892 | 5,583   |
| Number of <b>Council Tax Benefit</b> recipients   | 38,821              | 36,941  |
| Total Council Tax Benefit expenditure   | £31,054,346         |         |
| Total expenditure on benefit to date  | £50,068,375         |         |

- 3.2. The following statement provides information concerning the breakdown according to client type as at 31 May 2010.

|                                      | Private Tenants | Owner Occupiers |
|--------------------------------------|-----------------|-----------------|
| Working age and in receipt of J.S.A. | 15,148          | 1,892           |
| Elderly and in receipt of J.S.A.     | 7,141           | 5,619           |
| Working age and not receiving J.S.A. | 5,225           | 1,118           |
| Elderly and not in receipt of J.S.A. | <u>1,981</u>    | <u>3,247</u>    |
| <b>Total</b>                         | <b>29,495</b>   | <b>11,876</b>   |

There are **40,948** benefit recipients in Wirral as at 31 May 2010

- 3.3. **Housing Benefit Fraud and Enquiries** **To 31 May 2010**
- |   |     |
|---|-----|
| New Cases referred to Fraud team in period                                      | 371 |
| Cases where fraud found and action taken  | 17  |
| Cases investigated, no fraud found<br>and recovery of overpayment may be sought | 101 |
| Cases under current investigation   | 294 |
| Surveillance Operations Undertaken  | 0   |
| Cases where fraud found and action taken:                                       |     |
| Administration penalty  | 0   |
| Caution issued and accepted   | 6   |
| Successful prosecution  | 8   |
| Summons issued for prosecution purposes   | 3   |

#### 3.4. Discretionary Housing Payments

- 3.4.1 Discretionary Housing Payments (DHP) may be awarded to provide short term financial assistance to Housing and Council Tax Benefit claimants who are experiencing difficulty meeting a shortfall in their rent or Council Tax because maximum benefit is not being paid.

3.4.2 DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2010/11 is £244,743 with an overall limit of £611,858 which the Authority must not exceed. To date I have paid £15,545.

#### **4. STAFFING IMPLICATIONS**

4.1. There are none arising from this report.

#### **5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1. There are none arising directly from this report.

#### **6. HUMAN RIGHTS IMPLICATIONS**

6.1. There are none arising directly from this report.

#### **7. LOCAL AGENDA 21 IMPLICATIONS**

7.1. There are none arising directly from this report.

#### **8. COMMUNITY SAFETY IMPLICATIONS**

8.1. There are none arising directly from this report.

#### **9. PLANNING IMPLICATIONS**

9.1. There are none arising directly from this report.

#### **10. LOCAL MEMBER SUPPORT IMPLICATIONS**

10.1. There are none arising directly from this report.

#### **11. BACKGROUND PAPERS**

11.1. None were used in the preparation of this report.

#### **12. RECOMMENDATION**

12.1. That the report be noted.

IAN COLEMAN  
DIRECTOR OF FINANCE